

THE HONORABLE _____

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

JAN RUBIA RICHARDS, Individually and on
Behalf of All Others Similarly Situated,

Plaintiff,

vs.

ZUMIEZ, INC., THOMAS D. CAMPION,
RICHARD M. BROOKS JR. and TREVOR
LANG,

Defendants.

No. _____

CLASS ACTION COMPLAINT FOR
VIOLATIONS OF FEDERAL SECURITIES
LAWS

DEMAND FOR JURY TRIAL

CLASS ACTION COMPLAINT FOR
VIOLATIONS OF FEDERAL SECURITIES LAWS

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Plaintiff has alleged the following based upon the investigation of Plaintiff's counsel, which included a review of United States Securities and Exchange Commission ("SEC") filings by Zumiez, Inc. ("Zumiez" or the "Company"), as well as regulatory filings and reports, securities analysts' reports and advisories about the Company, press releases and other public statements issued by the Company, and media reports about the Company, and Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal class action on behalf of purchasers of the common stock of Zumiez between March 14, 2007 and November 7, 2007, inclusive (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

JURISDICTION AND VENUE

2. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act [15 U.S.C. §§78j(b) and 78t(a)] and Rule 10b-5 promulgated thereunder by the SEC [17 C.F.R. §240.10b-5].

3. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and Section 27 of the Exchange Act.

4. Venue is proper in this District pursuant to Section 27 of the Exchange Act and 28 U.S.C. §1391(b). Many of the acts charged herein, including the preparation and dissemination of materially false and misleading information, occurred in substantial part in this District.

5. In connection with the acts alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the national securities markets.

PARTIES

6. Plaintiff Jan Rubia Richards, as set forth in the accompanying certification and incorporated by reference herein, purchased the common stock of Zumiez at artificially inflated prices during the Class Period and has been damaged thereby.

7. Defendant Zumiez, a mall-based specialty retailer, provides action sports-related apparel, footwear, equipment, and accessories.

8. (a) Defendant Thomas D. Champion (“Champion”) is a co-Founder of the Company and, at all relevant times, was the Chairman of Zumiez.

(b) Defendant Richard M. Brooks Jr. (“Brooks”) is, and was at all relevant times, Chief Executive Officer (“CEO”) and President of Zumiez.

(c) Defendant Trevor Lang (“Lang”) is, and was at all relevant times, Chief Financial Officer (“CFO”) of Zumiez.

(d) Defendants Champion, Brooks and Lang are collectively referred to herein as the “Individual Defendants.”

9. During the Class Period, the Individual Defendants, as senior executive officers and/or directors of Zumiez, were privy to confidential and proprietary information concerning Zumiez, its operations, finances, financial condition and present and future business prospects. The Individual Defendants also had access to material adverse non-public information concerning Zumiez, as discussed in detail below. Because of their positions with Zumiez, the Individual Defendants had access to non-public information about its business, finances, products, markets and present and future business prospects via access to internal corporate documents, conversations and connections with other corporate officers and employees, attendance at management and/or board of directors meetings and committees thereof, and via reports and other information provided to them in connection therewith. Because of their possession of such information, the Individual Defendants knew or recklessly disregarded that the adverse facts specified herein had not been disclosed to, and were being concealed from, the investing public.

1 10. The Individual Defendants are liable as direct participants in the wrongs complained
2 of herein. In addition, the Individual Defendants, by reason of their status as senior executive
3 officers and/or directors, were “controlling persons” within the meaning of Section 20(a) of the
4 Exchange Act and had the power and influence to cause the Company to engage in the unlawful
5 conduct complained of herein. Because of their positions of control, the Individual Defendants were
6 able to and did, directly or indirectly, control the conduct of Zumiez’s business.

7 11. The Individual Defendants, because of their positions with the Company, controlled
8 and/or possessed the authority to control the contents of its reports, press releases and presentations
9 to securities analysts and through them, to the investing public. The Individual Defendants were
10 provided with copies of the Company’s reports and press releases, alleged herein to be misleading,
11 prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or
12 cause them to be corrected. Thus, the Individual Defendants had the opportunity to commit the
13 fraudulent acts alleged herein.

14 12. As senior executive officers and/or directors and as controlling persons of a publicly
15 traded company whose common stock was, and is, registered with the SEC pursuant to the Exchange
16 Act, and was, and is, traded on the NASDAQ National Market (“NASDAQ”) and governed by the
17 federal securities laws, the Individual Defendants had a duty to promptly disseminate accurate and
18 truthful information with respect to Zumiez’s financial condition and performance, growth,
19 operations, financial statements, business, products, markets, management, earnings and present and
20 future business prospects, and to correct any previously issued statements that had become
21 materially misleading or untrue, so that the market price of Zumiez’s common stock would be based
22 upon truthful and accurate information. The Individual Defendants’ misrepresentations and
23 omissions during the Class Period violated these specific requirements and obligations.

24 13. The Individual Defendants are liable as participants in a fraudulent scheme and
25 course of conduct which operated as a fraud or deceit on purchasers of Zumiez’s common stock by
26 disseminating materially false and misleading statements and/or concealing material adverse facts.

1 The scheme: (i) deceived the investing public regarding Zumiez's business, operations, management
2 and the intrinsic value of Zumiez's securities; (ii) allowed Defendants Campion, Brooks and other
3 Company insiders to sell more than 523,922 shares of their personally-held Zumiez common stock
4 for gross proceeds in excess of \$23 million; and (iii) caused Plaintiff and members of the Class
5 (defined below) to purchase Zumiez's common stock at artificially inflated prices.

6 **PLAINTIFF'S CLASS ACTION ALLEGATIONS**

7 14. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
8 Procedure 23(a) and (b)(3) on behalf of a class consisting of all those who purchased the common
9 stock of Zumiez between March 14, 2007 and November 7, 2007, inclusive, and who were damaged
10 thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the
11 Company, at all relevant times, members of their immediate families and their legal representatives,
12 heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

13 15. The members of the Class are so numerous that joinder of all members is
14 impracticable. Throughout the Class Period, Zumiez common stock was actively traded on the
15 NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can
16 only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds or
17 thousands of members in the proposed Class. Record owners and other members of the Class may
18 be identified from records maintained by Zumiez or its transfer agent and may be notified of the
19 pendency of this action by mail, using the form of notice similar to that customarily used in
20 securities class actions.

21 16. Plaintiff's claims are typical of the claims of the members of the Class as all members
22 of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law
23 complained of herein.

24 17. Plaintiff will fairly and adequately protect the interests of the members of the Class
25 and has retained counsel competent and experienced in class action and securities litigation.
26

1 18. Common questions of law and fact exist as to all members of the Class and
2 predominate over any questions solely affecting individual members of the Class. Among the
3 questions of law and fact common to the Class are:

4 (a) whether the federal securities laws were violated by Defendants' acts as
5 alleged herein;

6 (b) whether statements made by Defendants to the investing public during the
7 Class Period misrepresented material facts about the business and operations of Zumiez;

8 (c) whether the price of Zumiez common stock was artificially inflated during the
9 Class Period; and

10 (d) to what extent the members of the Class have sustained damages and the
11 proper measure of damages.

12 19. A class action is superior to all other available methods for the fair and efficient
13 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the
14 damages suffered by individual Class members may be relatively small, the expense and burden of
15 individual litigation make it impossible for members of the Class to individually redress the wrongs
16 done to them. There will be no difficulty in the management of this action as a class action.

17 **SUBSTANTIVE ALLEGATIONS**

18 20. Defendant Zumiez describes itself as a "leading specialty retailer of action sports
19 related apparel, footwear, equipment and accessories."

20 21. The Class Period begins on March 14, 2007. On that date, after the markets closed,
21 Zumiez issued a press release announcing its financial results for the fiscal fourth quarter and year
22 end of 2006, the period ended February 3, 2007. For the quarter, the Company reported total net
23 sales of \$112.4 million and net income of \$11.3 million, or \$0.39 per diluted share. Defendant
24 Brooks commented on the results, stating, in pertinent part, as follows:

25 We are pleased to have completed another terrific year at Zumiez, the 27th of the
26 past 28 years with a comparable store sales increase. We also successfully completed
the integration of the acquisition of Fast Forward and opened an additional 42 new
stores during the year.

1 The continued success of the highly differentiated Zumiez concept is a testament to
2 the great team we've assembled. We remain on track to open 50 new stores in fiscal
2007, and are excited about our growth prospects for the coming year and beyond.

3 With regard to the Company's outlook, the press release stated, in pertinent part, as follows:

4 2007 Outlook

5 The company's long-term financial targets include comparable store sales growth in
6 the mid single digit range, net square footage expansion of approximately 20%, and
7 diluted EPS growth in excess of 30%. In line with its long-term growth goals, the
company introduced guidance for fiscal 2007 of \$0.94 to \$0.96 in diluted earnings
per share. Weighted average diluted shares for the fiscal year are expected to be
approximately 29,500,000.

8
9 22. In response to the Company's earnings announcement and guidance for fiscal 2007,
10 on March 15, 2007, the price of Zumiez common stock rose \$2.16 per share, or 6%, to close at
11 \$39.56 per share, on heavy trading volume.

12 23. Between April 13, 2007 and April 23, 2007, certain Company insiders capitalized on
13 the rise in the price of Zumiez stock and sold 180,122 shares of their personally-held stock, thereby
14 generating proceeds of more than \$7 million.

15 24. On May 23, 2007, Zumiez issued a press release announcing its financial results for
16 the fiscal first quarter of 2007, the period ended May 5, 2007. For the quarter, the Company
17 reported total net sales of \$68.8 million and net income of \$1.6 million, or \$0.06 per diluted share.

18 Defendant Brooks commented on the results, stating, in pertinent part, as follows:

19 With strong increases in sales and earnings, we are pleased with our first quarter
20 operating results and are confident that we are well positioned for another great year
21 at Zumiez. We opened 19 new stores in the first quarter, accelerating our store
openings from prior years. We remain on track to open 50 new stores in fiscal 2007,
most of which will be opened by the end of the third quarter.

22 With regard to the Company's outlook, the press release stated, in pertinent part, as follows:

23 2007 Outlook

24 The company remains focused on its long-term financial targets of comparable store
25 sales growth in the mid single digit range, net square footage expansion of
26 approximately 20%, and diluted EPS growth in excess of 30%. As such, the
company is reaffirming its previous guidance for fiscal 2007 of \$0.94 to \$0.96 in
diluted earnings per share. Weighted average diluted shares for the fiscal year are
expected to be approximately 29,500,000.

25. On July 11, 2007, after the markets closed, the Company issued a press release announcing its June 2007 sales results. For the month, the Company reported that “total net sales for the five-week period ended July 7, 2007 increased 48.8% to \$31.5 million, compared to \$21.2 million for the five-week period ended July 1, 2006. The company’s comparable store sales increased 13.7% for the five-week period, versus a comparable store sales increase of 12.4% in the year ago period.”

26. In response to the Company’s June sales report, on July 12, 2007, shares of the Company’s stock rose \$3.59 per share, or approximately 10%, to close at \$40.49 per share, on heavy trading volume.

27. On August 8, 2007, after the markets closed, the Company issued a press release announcing its July 2007 sales results. For the month, the Company reported that “total net sales for the four-week period ended August 4, 2007 increased 42.4% to \$28.2 million, compared to \$19.8 million for the four-week period ended July 29, 2006. The company’s comparable store sales increased 9.7% for the four-week period, versus a comparable store sales increase of 8.4% in the year ago period.”

28. In response to the Company’s July sales report, on August 9, 2007, shares of the Company’s stock rose \$2.02 per share, or approximately 5%, to close at \$44.95 per share, on heavy trading volume.

29. On August 22, 2007, Zumiez issued a press release announcing its financial results for the fiscal second quarter of 2007, the period ended August 4, 2007. For the quarter, the Company reported total net sales of \$82.0 million and net income of \$3.1 million, or \$0.11 per diluted share. Defendant Brooks commented on the results, stating, in pertinent part, as follows:

We are pleased to have reported another strong quarter, and feel our unique retail model has Zumiez very well positioned as we head into the back half of the year. We opened 12 new stores in the second quarter and 31 stores year-to-date. We remain on track to open 50 new stores in fiscal 2007 and continue to believe that we can eventually operate 800 Zumiez stores in the U.S.

With regard to the Company’s outlook, the press release stated, in pertinent part, as follows:

1 2007 Outlook

2 The company remains focused on its long-term financial targets of comparable store
3 sales growth in the mid single digit range, net square footage expansion of
4 approximately 20%, and diluted EPS growth in excess of 30%. ***Given the stronger
5 than planned results in the first half of the year, the company is increasing its
6 guidance for fiscal 2007 to \$0.97 to \$0.99 per diluted share, up from the previous
7 guidance of \$0.94 to \$0.96 in diluted earnings per share.*** Weighted average diluted
8 shares for the fiscal year are expected to be approximately 29,500,000. [Emphasis
9 added.]

10 30. Between September 11, 2007 and September 21, 2007, certain Company insiders
11 capitalized on the rise in the price of Zumiez stock and sold 343,800 shares of their personally-held
12 stock, thereby generating proceeds of more than \$16 million.

13 31. The statements referenced above in ¶¶21, 24, 25, 27 and 29 were materially false and
14 misleading when made because they misrepresented and failed to disclose:

15 (a) that sales of the Company's winter merchandise were not performing
16 according to internal expectations;

17 (b) that the Company's retail stores were underperforming and same store sales
18 were in decline; and

19 (c) as a result of the forgoing, the Defendants had no reasonable basis for their
20 positive statements about the Company's prospects and guidance for fiscal 2007.

21 32. Then, on November 7, 2007, the Company issued a press release announcing that its
22 October 2007 sales results, preliminary third quarter earnings and revised guidance for fiscal 2007.
23 In that regard, the press release stated, in pertinent part, as follows:

24 . . . the company's comparable store sales increased 5.1% for the four-week period
25 ended November 3, 2007, versus a comparable store sales increase of 15.9% in the
26 year ago period ended October 28, 2006. Total net sales for the four-week period
ended November 3, 2007 increased 24.6% to \$24.7 million, compared to \$19.9
million for the four-week period ended October 28, 2006.

For the third fiscal quarter ended November 3, 2007, the company expects to report
diluted earnings per share in the range of \$0.27 to \$0.28 per share, versus diluted
earnings per share of \$0.24 in the third quarter last year. Zumiez will be reporting its
fiscal third quarter earnings on November 29, 2007. ***The company is taking a more
conservative outlook for the remainder of fiscal 2007 due to the reliance on
seasonal merchandise in the fourth quarter. The company now expects full year***

fiscal 2007 earnings per diluted share to be in the range of \$0.92 to \$0.94 compared to fiscal 2006 earnings of \$0.73 per diluted share. [Emphasis added.]

33. In response to this announcement, shares of the Company's common stock fell \$10.71 per share, or 27%, to close at \$28.74 per share, on heavy trading volume.

34. As the market continued to digest this announcement, shares of the Company's stock continued to fall, declining another \$2.61 per share, or 9%, to close at \$26.13 per share.

35. The markets for Zumiez common stock were open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements and failures to disclose, Zumiez's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Zumiez's common stock relying upon the integrity of the market price of Zumiez's common stock and market information relating to Zumiez, and have been damaged thereby.

36. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Zumiez's common stock, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations, as alleged herein.

37. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused, or were a substantial contributing cause of, the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false or misleading statements about Zumiez's business, prospects and operations. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of Zumiez and its business, prospects and operations, thus causing the Company's common stock to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing

the Company's common stock at artificially inflated prices, thus causing the damages complained of herein.

Additional Scienter Allegations

38. As alleged herein, Defendants acted with scienter in that Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, Defendants, by virtue of their receipt of information reflecting the true facts regarding Zumiez, their control over, and/or receipt and/or modification of Zumiez's allegedly materially misleading misstatements, and/or their associations with the Company which made them privy to confidential proprietary information concerning Zumiez, participated in the fraudulent scheme alleged herein.

39. Defendants were further motivated to engage in this course of conduct in order to allow Defendants Campion, Brooks and other Company insiders to sell more than 523,922 shares of their personally-held Zumiez common stock for gross proceeds in excess of \$23 million. The insider shares sold during the Class Period are set forth more fully in the following chart:

| Insider | Date | Shares | Price | Proceeds |
|---------------|-----------|---------------|---------|---------------------|
| BRENDA MORRIS | 4/13/2007 | 5,900 | \$39.40 | \$232,460.00 |
| | 4/13/2007 | 3,000 | \$40.96 | \$122,880.00 |
| | 4/13/2007 | 3,000 | \$39.40 | \$118,200.00 |
| | 4/13/2007 | 3,000 | \$39.40 | \$118,200.00 |
| | 4/13/2007 | 1,900 | \$39.40 | \$74,860.00 |
| | 4/13/2007 | 1,200 | \$39.40 | \$47,280.00 |
| | 4/13/2007 | 500 | \$39.45 | \$19,725.00 |
| | 4/13/2007 | 460 | \$39.42 | \$18,133.20 |
| | 4/13/2007 | 6 | \$39.42 | \$236.52 |
| | | 18,966 | | \$751,974.72 |
| FORD WRIGHT | 4/13/2007 | 5,000 | \$39.62 | \$198,100.00 |
| | 4/13/2007 | 4,900 | \$39.20 | \$192,080.00 |
| | 4/13/2007 | 2,900 | \$39.78 | \$115,362.00 |
| | 4/13/2007 | 1,600 | \$40.14 | \$64,224.00 |
| | 4/13/2007 | 600 | \$39.35 | \$23,610.00 |
| | 4/16/2007 | 2,000 | \$40.02 | \$80,040.00 |

| Insider | Date | Shares | Price | Proceeds |
|---------|-----------|--------|---------|--------------|
| | 4/18/2007 | 5,000 | \$39.00 | \$195,000.00 |
| | 9/11/2007 | 2,600 | \$45.00 | \$117,000.00 |
| | 9/11/2007 | 2,000 | \$45.81 | \$91,620.00 |
| | 9/11/2007 | 400 | \$45.01 | \$18,004.00 |
| | 9/12/2007 | 2,800 | \$46.00 | \$128,800.00 |
| | 9/12/2007 | 200 | \$46.01 | \$9,202.00 |
| | 9/13/2007 | 900 | \$47.13 | \$42,417.00 |
| | 9/13/2007 | 700 | \$47.06 | \$32,942.00 |
| | 9/13/2007 | 600 | \$47.00 | \$28,200.00 |
| | 9/13/2007 | 400 | \$47.01 | \$18,804.00 |
| | 9/13/2007 | 400 | \$47.08 | \$18,832.00 |
| | 9/13/2007 | 400 | \$47.14 | \$18,856.00 |
| | 9/13/2007 | 300 | \$47.04 | \$14,112.00 |
| | 9/13/2007 | 200 | \$47.03 | \$9,406.00 |
| | 9/13/2007 | 100 | \$47.02 | \$4,702.00 |
| | 9/14/2007 | 1,000 | \$47.50 | \$47,500.00 |
| | 9/14/2007 | 400 | \$47.55 | \$19,020.00 |
| | 9/14/2007 | 200 | \$47.51 | \$9,502.00 |
| | 9/14/2007 | 100 | \$47.52 | \$4,752.00 |
| | 9/14/2007 | 100 | \$47.54 | \$4,754.00 |
| | 9/18/2007 | 5,000 | \$49.00 | \$245,000.00 |
| | 9/18/2007 | 3,000 | \$48.65 | \$145,950.00 |
| | 9/18/2007 | 1,900 | \$48.65 | \$92,435.00 |
| | 9/18/2007 | 100 | \$48.84 | \$4,884.00 |
| | 9/19/2007 | 4,000 | \$50.00 | \$200,000.00 |
| | 9/19/2007 | 1,100 | \$50.02 | \$55,022.00 |
| | 9/19/2007 | 1,000 | \$50.05 | \$50,050.00 |
| | 9/19/2007 | 900 | \$50.03 | \$45,027.00 |
| | 9/19/2007 | 700 | \$49.90 | \$34,930.00 |
| | 9/19/2007 | 700 | \$50.04 | \$35,028.00 |
| | 9/19/2007 | 400 | \$50.01 | \$20,004.00 |
| | 9/19/2007 | 300 | \$50.06 | \$15,018.00 |
| | 9/19/2007 | 300 | \$50.09 | \$15,027.00 |
| | 9/19/2007 | 200 | \$50.07 | \$10,014.00 |
| | 9/19/2007 | 200 | \$50.12 | \$10,024.00 |
| | 9/19/2007 | 100 | \$49.84 | \$4,984.00 |
| | 9/19/2007 | 100 | \$50.14 | \$5,014.00 |
| | 9/21/2007 | 1,626 | \$48.31 | \$78,552.06 |
| | 9/21/2007 | 1,578 | \$48.30 | \$76,217.40 |
| | 9/21/2007 | 1,254 | \$48.26 | \$60,518.04 |
| | 9/21/2007 | 530 | \$48.51 | \$25,710.30 |
| | 9/21/2007 | 477 | \$48.19 | \$22,986.63 |
| | 9/21/2007 | 449 | \$48.29 | \$21,682.21 |
| | 9/21/2007 | 446 | \$48.27 | \$21,528.42 |
| | 9/21/2007 | 400 | \$48.21 | \$19,284.00 |
| | 9/21/2007 | 400 | \$48.47 | \$19,388.00 |
| | 9/21/2007 | 395 | \$48.32 | \$19,086.40 |
| | 9/21/2007 | 351 | \$48.28 | \$16,946.28 |
| | 9/21/2007 | 303 | \$48.54 | \$14,707.62 |

| Insider | Date | Shares | Price | Proceeds |
|----------------|-----------|----------------|---------|-----------------------|
| | 9/21/2007 | 300 | \$48.56 | \$14,568.00 |
| | 9/21/2007 | 290 | \$48.48 | \$14,059.20 |
| | 9/21/2007 | 267 | \$48.52 | \$12,954.84 |
| | 9/21/2007 | 223 | \$48.20 | \$10,748.60 |
| | 9/21/2007 | 201 | \$48.34 | \$9,716.34 |
| | 9/21/2007 | 200 | \$48.36 | \$9,672.00 |
| | 9/21/2007 | 100 | \$48.33 | \$4,833.00 |
| | 9/21/2007 | 100 | \$48.35 | \$4,835.00 |
| | 9/21/2007 | 100 | \$48.50 | \$4,850.00 |
| | 9/21/2007 | 10 | \$48.49 | \$484.90 |
| | | 65,800 | | \$2,978,581.24 |
| LYNN KILBOURNE | 4/13/2007 | 5,600 | \$39.50 | \$221,200.00 |
| | 4/13/2007 | 5,900 | \$39.50 | \$233,050.00 |
| | 4/13/2007 | 8,400 | \$39.75 | \$333,900.00 |
| | 4/13/2007 | 4,900 | \$39.75 | \$194,775.00 |
| | 4/13/2007 | 1,250 | \$40.88 | \$51,105.38 |
| | 4/13/2007 | 1,500 | \$39.50 | \$59,250.00 |
| | 4/13/2007 | 10,750 | \$39.51 | \$424,685.20 |
| | 4/13/2007 | 600 | \$39.75 | \$23,850.00 |
| | 4/13/2007 | 9,100 | \$39.75 | \$361,725.00 |
| | 4/13/2007 | 2,000 | \$40.02 | \$80,030.00 |
| | 4/23/2007 | 6,000 | \$40.15 | \$240,900.00 |
| | 4/23/2007 | 6,000 | \$40.41 | \$242,460.00 |
| | 4/23/2007 | 6,000 | \$40.30 | \$241,800.00 |
| | 4/23/2007 | 5,000 | \$40.00 | \$200,000.00 |
| | 4/23/2007 | 4,000 | \$40.30 | \$161,200.00 |
| | 4/23/2007 | 4,000 | \$40.35 | \$161,400.00 |
| | 4/23/2007 | 4,000 | \$40.37 | \$161,480.00 |
| | 4/23/2007 | 4,000 | \$40.05 | \$160,200.00 |
| | 4/23/2007 | 3,000 | \$40.05 | \$120,150.00 |
| | 4/23/2007 | 2,000 | \$40.35 | \$80,700.00 |
| | 4/23/2007 | 2,000 | \$40.28 | \$80,560.00 |
| | 4/23/2007 | 2,000 | \$40.30 | \$80,600.00 |
| | 4/23/2007 | 2,000 | \$40.40 | \$80,800.00 |
| | | 100,000 | | \$3,995,820.58 |
| RICHARD BROOKS | 9/13/2007 | 20,000 | \$46.93 | \$938,600.00 |
| | 9/13/2007 | 6,999 | \$47.30 | \$331,052.70 |
| | 9/13/2007 | 6,800 | \$46.85 | \$318,580.00 |
| | 9/13/2007 | 5,705 | \$47.08 | \$268,591.40 |
| | 9/13/2007 | 5,300 | \$47.15 | \$249,895.00 |
| | 9/13/2007 | 5,201 | \$47.42 | \$246,631.42 |
| | 9/13/2007 | 5,200 | \$47.00 | \$244,400.00 |
| | 9/13/2007 | 5,000 | \$46.90 | \$234,500.00 |
| | 9/13/2007 | 3,900 | \$46.87 | \$182,793.00 |
| | 9/13/2007 | 3,600 | \$46.75 | \$168,300.00 |
| | 9/13/2007 | 3,200 | \$46.99 | \$150,368.00 |
| | 9/13/2007 | 2,890 | \$46.77 | \$135,165.30 |

| Insider | Date | Shares | Price | Proceeds |
|---------|-----------|--------|---------|----------------|
| | 9/13/2007 | 2,400 | \$47.02 | \$112,848.00 |
| | 9/13/2007 | 2,337 | \$46.74 | \$109,231.38 |
| | 9/13/2007 | 1,610 | \$46.76 | \$75,283.60 |
| | 9/13/2007 | 1,500 | \$47.31 | \$70,965.00 |
| | 9/13/2007 | 1,300 | \$46.98 | \$61,074.00 |
| | 9/13/2007 | 1,200 | \$46.72 | \$56,064.00 |
| | 9/13/2007 | 1,200 | \$46.97 | \$56,364.00 |
| | 9/13/2007 | 1,100 | \$46.78 | \$51,458.00 |
| | 9/13/2007 | 1,100 | \$47.01 | \$51,711.00 |
| | 9/13/2007 | 1,100 | \$47.18 | \$51,898.00 |
| | 9/13/2007 | 900 | \$46.92 | \$42,228.00 |
| | 9/13/2007 | 900 | \$47.30 | \$42,570.00 |
| | 9/13/2007 | 815 | \$47.09 | \$38,378.35 |
| | 9/13/2007 | 800 | \$47.16 | \$37,728.00 |
| | 9/13/2007 | 763 | \$46.95 | \$35,822.85 |
| | 9/13/2007 | 600 | \$46.86 | \$28,116.00 |
| | 9/13/2007 | 600 | \$47.41 | \$28,446.00 |
| | 9/13/2007 | 500 | \$46.94 | \$23,470.00 |
| | 9/13/2007 | 500 | \$47.34 | \$23,670.00 |
| | 9/13/2007 | 480 | \$46.96 | \$22,540.80 |
| | 9/13/2007 | 400 | \$47.28 | \$18,912.00 |
| | 9/13/2007 | 400 | \$47.31 | \$18,924.00 |
| | 9/13/2007 | 400 | \$47.43 | \$18,972.00 |
| | 9/13/2007 | 300 | \$46.80 | \$14,040.00 |
| | 9/13/2007 | 300 | \$46.83 | \$14,049.00 |
| | 9/13/2007 | 300 | \$47.14 | \$14,142.00 |
| | 9/13/2007 | 300 | \$47.29 | \$14,187.00 |
| | 9/13/2007 | 200 | \$47.05 | \$9,410.00 |
| | 9/13/2007 | 200 | \$47.11 | \$9,422.00 |
| | 9/13/2007 | 200 | \$47.33 | \$9,466.00 |
| | 9/13/2007 | 200 | \$47.40 | \$9,480.00 |
| | 9/13/2007 | 200 | \$47.44 | \$9,488.00 |
| | 9/13/2007 | 200 | \$47.46 | \$9,492.00 |
| | 9/13/2007 | 100 | \$46.73 | \$4,673.00 |
| | 9/13/2007 | 100 | \$46.91 | \$4,691.00 |
| | 9/13/2007 | 100 | \$47.04 | \$4,704.00 |
| | 9/13/2007 | 100 | \$47.07 | \$4,707.00 |
| | 9/13/2007 | 100 | \$47.19 | \$4,719.00 |
| | 9/13/2007 | 100 | \$47.22 | \$4,722.00 |
| | 9/13/2007 | 100 | \$47.24 | \$4,724.00 |
| | 9/13/2007 | 100 | \$47.45 | \$4,745.00 |
| | 9/13/2007 | 100 | \$47.47 | \$4,747.00 |
| | 9/14/2007 | 22,800 | \$47.21 | \$1,076,388.00 |
| | 9/14/2007 | 18,381 | \$47.15 | \$866,664.15 |
| | 9/14/2007 | 16,782 | \$47.10 | \$790,432.20 |
| | 9/14/2007 | 15,300 | \$47.13 | \$721,089.00 |
| | 9/14/2007 | 14,200 | \$47.20 | \$670,240.00 |
| | 9/14/2007 | 9,200 | \$46.99 | \$432,308.00 |
| | 9/14/2007 | 5,266 | \$47.16 | \$248,344.56 |

| Insider | Date | Shares | Price | Proceeds |
|---------|-----------|--------|---------|--------------|
| | 9/14/2007 | 4,820 | \$47.24 | \$227,696.80 |
| | 9/14/2007 | 4,400 | \$47.26 | \$207,944.00 |
| | 9/14/2007 | 3,785 | \$47.18 | \$178,576.30 |
| | 9/14/2007 | 3,700 | \$46.45 | \$171,865.00 |
| | 9/14/2007 | 3,590 | \$47.25 | \$169,627.50 |
| | 9/14/2007 | 3,449 | \$47.27 | \$163,034.23 |
| | 9/14/2007 | 3,400 | \$47.09 | \$160,106.00 |
| | 9/14/2007 | 3,300 | \$47.17 | \$155,661.00 |
| | 9/14/2007 | 3,300 | \$47.35 | \$156,255.00 |
| | 9/14/2007 | 2,991 | \$47.29 | \$141,444.39 |
| | 9/14/2007 | 2,950 | \$47.30 | \$139,535.00 |
| | 9/14/2007 | 2,900 | \$47.23 | \$136,967.00 |
| | 9/14/2007 | 2,700 | \$47.57 | \$128,439.00 |
| | 9/14/2007 | 2,618 | \$47.11 | \$123,333.98 |
| | 9/14/2007 | 2,451 | \$47.12 | \$115,491.12 |
| | 9/14/2007 | 2,231 | \$47.28 | \$105,481.68 |
| | 9/14/2007 | 2,172 | \$47.45 | \$103,061.40 |
| | 9/14/2007 | 2,090 | \$47.22 | \$98,689.80 |
| | 9/14/2007 | 2,024 | \$47.34 | \$95,816.16 |
| | 9/14/2007 | 2,000 | \$47.03 | \$94,060.00 |
| | 9/14/2007 | 1,950 | \$47.36 | \$92,352.00 |
| | 9/14/2007 | 1,916 | \$47.33 | \$90,684.28 |
| | 9/14/2007 | 1,902 | \$47.14 | \$89,660.28 |
| | 9/14/2007 | 1,800 | \$47.37 | \$85,266.00 |
| | 9/14/2007 | 1,700 | \$47.06 | \$80,002.00 |
| | 9/14/2007 | 1,600 | \$47.32 | \$75,712.00 |
| | 9/14/2007 | 1,600 | \$47.54 | \$76,064.00 |
| | 9/14/2007 | 1,515 | \$47.19 | \$71,492.85 |
| | 9/14/2007 | 1,489 | \$47.31 | \$70,444.59 |
| | 9/14/2007 | 1,300 | \$47.44 | \$61,672.00 |
| | 9/14/2007 | 1,300 | \$47.50 | \$61,750.00 |
| | 9/14/2007 | 1,235 | \$47.46 | \$58,613.10 |
| | 9/14/2007 | 1,100 | \$47.00 | \$51,700.00 |
| | 9/14/2007 | 1,000 | \$47.02 | \$47,020.00 |
| | 9/14/2007 | 817 | \$47.41 | \$38,733.97 |
| | 9/14/2007 | 800 | \$47.04 | \$37,632.00 |
| | 9/14/2007 | 800 | \$47.40 | \$37,920.00 |
| | 9/14/2007 | 700 | \$47.47 | \$33,229.00 |
| | 9/14/2007 | 600 | \$46.97 | \$28,182.00 |
| | 9/14/2007 | 600 | \$47.48 | \$28,488.00 |
| | 9/14/2007 | 600 | \$47.51 | \$28,506.00 |
| | 9/14/2007 | 600 | \$47.53 | \$28,518.00 |
| | 9/14/2007 | 600 | \$47.56 | \$28,536.00 |
| | 9/14/2007 | 583 | \$47.42 | \$27,645.86 |
| | 9/14/2007 | 500 | \$47.01 | \$23,505.00 |
| | 9/14/2007 | 500 | \$47.38 | \$23,690.00 |
| | 9/14/2007 | 500 | \$47.43 | \$23,715.00 |
| | 9/14/2007 | 500 | \$47.55 | \$23,775.00 |
| | 9/14/2007 | 500 | \$47.58 | \$23,790.00 |

| Insider | Date | Shares | Price | Proceeds |
|----------------|---------------|----------------|---------|------------------------|
| | 9/14/2007 | 500 | \$47.59 | \$23,795.00 |
| | 9/14/2007 | 450 | \$46.05 | \$20,722.50 |
| | 9/14/2007 | 400 | \$46.06 | \$18,424.00 |
| | 9/14/2007 | 400 | \$46.93 | \$18,772.00 |
| | 9/14/2007 | 400 | \$47.05 | \$18,820.00 |
| | 9/14/2007 | 328 | \$47.39 | \$15,543.92 |
| | 9/14/2007 | 300 | \$46.26 | \$13,878.00 |
| | 9/14/2007 | 300 | \$46.33 | \$13,899.00 |
| | 9/14/2007 | 300 | \$47.60 | \$14,280.00 |
| | 9/14/2007 | 265 | \$47.49 | \$12,584.85 |
| | 9/14/2007 | 200 | \$46.25 | \$9,250.00 |
| | 9/14/2007 | 200 | \$46.41 | \$9,282.00 |
| | 9/14/2007 | 200 | \$46.47 | \$9,294.00 |
| | 9/14/2007 | 200 | \$46.64 | \$9,328.00 |
| | 9/14/2007 | 200 | \$46.92 | \$9,384.00 |
| | 9/14/2007 | 200 | \$47.64 | \$9,528.00 |
| | 9/14/2007 | 100 | \$46.12 | \$4,612.00 |
| | 9/14/2007 | 100 | \$46.27 | \$4,627.00 |
| | 9/14/2007 | 100 | \$46.28 | \$4,628.00 |
| | 9/14/2007 | 100 | \$46.32 | \$4,632.00 |
| | 9/14/2007 | 100 | \$46.34 | \$4,634.00 |
| | 9/14/2007 | 100 | \$46.65 | \$4,665.00 |
| | 9/14/2007 | 100 | \$46.66 | \$4,666.00 |
| | 9/14/2007 | 100 | \$46.67 | \$4,667.00 |
| | 9/14/2007 | 100 | \$46.71 | \$4,671.00 |
| | 9/14/2007 | 100 | \$46.73 | \$4,673.00 |
| | 9/14/2007 | 100 | \$46.80 | \$4,680.00 |
| | 9/14/2007 | 100 | \$46.88 | \$4,688.00 |
| | 9/14/2007 | 100 | \$46.96 | \$4,696.00 |
| | 9/14/2007 | 100 | \$47.08 | \$4,708.00 |
| | 9/14/2007 | 100 | \$47.62 | \$4,762.00 |
| | 9/14/2007 | 100 | \$47.65 | \$4,765.00 |
| | 9/14/2007 | 80 | \$46.44 | \$3,715.20 |
| | 9/14/2007 | 50 | \$46.07 | \$2,303.50 |
| | 9/14/2007 | 20 | \$46.46 | \$929.20 |
| | | 300,000 | | \$14,136,517.17 |
| THOMAS CAMPION | 4/18/2007 | 35,756 | \$39.00 | \$1,394,484.00 |
| | 4/18/2007 | 2,100 | \$39.06 | \$82,026.00 |
| | 4/18/2007 | 1,300 | \$39.03 | \$50,739.00 |
| | | 39,156 | | \$1,527,249.00 |
| | | | | |
| | | | | |
| | | | | |
| | Total: | 523,922 | | \$23,390,142.71 |

Loss Causation/Economic Loss

40. During the Class Period, as detailed herein, Defendants engaged in a scheme to deceive the market and a course of conduct which artificially inflated the prices of Zumiez's common stock and operated as a fraud or deceit on Class Period purchasers of Zumiez's common stock by failing to disclose that sales of the Company's winter merchandise were not performing according to internal expectations and that the Company's retail stores were underperforming and same store sales were in decline. When Defendants' prior misrepresentations and fraudulent conduct were disclosed and became apparent to the market, the price of Zumiez's common stock fell precipitously as the prior artificial inflation came out. As a result of their purchases of Zumiez's common stock during the Class Period, Plaintiff and the other Class members suffered economic loss, i.e., damages, under the federal securities laws.

41. By failing to disclose that that sales of the Company's winter merchandise were not performing according to internal expectations and that the Company's retail stores were underperforming and same store sales were in decline, among other things, Defendants presented a misleading picture of Zumiez's business and prospects. Defendants' false and misleading statements had the intended effect and caused Zumiez's common stock to trade at artificially inflated levels throughout the Class Period, reaching as high as \$51.25 per share on October 12, 2007.

42. As a direct result of Defendants' disclosures on November 7, 2007, the price of Zumiez common stock fell precipitously, falling by a collective \$13.32 per share, or approximately 36%, over the next two trading days. These drops removed the inflation from the price of Zumiez common stock, causing real economic loss to investors who had purchased Zumiez common stock during the Class Period.

43. The 36% decline in the price of Zumiez common stock after these disclosures came to light was a direct result of the nature and extent of Defendants' fraud finally being revealed to investors and the market. The timing and magnitude of the price decline in Zumiez common stock negates any inference that the loss suffered by Plaintiff and the other Class members was caused by

changed market conditions, macroeconomic or industry factors or Company-specific facts unrelated to the Defendants' fraudulent conduct. The economic loss, i.e., damages, suffered by Plaintiff and the other Class members was a direct result of Defendants' fraudulent scheme to artificially inflate the prices of Zumiez common stock and the subsequent significant decline in the value of Zumiez common stock when Defendants' prior misrepresentations and other fraudulent conduct were revealed.

**Applicability of Presumption of Reliance:
Fraud on the Market Doctrine**

44. At all relevant times, the market for Zumiez's common stock was an efficient market for the following reasons, among others:

(a) Zumiez common stock met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) as a regulated issuer, Zumiez filed periodic public reports with the SEC and the NASDAQ;

(c) Zumiez regularly communicated with public investors via established market communication mechanisms, including regular disseminations of press releases on the national circuits of major newswire services and other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and

(d) Zumiez was followed by several securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

45. As a result of the foregoing, the market for Zumiez common stock promptly digested current information regarding Zumiez from all publicly available sources and reflected such information in the prices of the stock. Under these circumstances, all purchasers of Zumiez common stock during the Class Period suffered similar injury through their purchase of Zumiez common stock at artificially inflated prices and a presumption of reliance applies.

No Safe Harbor

46. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. Many of the specific statements pleaded herein were not identified as “forward-looking statements” when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements were made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of Zumiez who knew that those statements were false when made.

COUNT I

**Violation of Section 10(b) of
the Exchange Act Against and Rule 10b-5
Promulgated Thereunder Against All Defendants**

47. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

48. During the Class Period, Defendants disseminated or approved the materially false and misleading statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

49. Defendants: (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (c) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company’s common stock during the Class Period.

50. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Zumiez common stock. Plaintiff and the Class would not have purchased Zumiez common stock at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by Defendants' misleading statements.

51. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their purchases of Zumiez common stock during the Class Period.

COUNT II

Violation of Section 20(a) of the Exchange Act Against the Individual Defendants

52. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

53. The Individual Defendants acted as controlling persons of Zumiez within the meaning of Section 20(a) of the Exchange Act as alleged herein. By reason of their positions as officers and/or directors of Zumiez, and their ownership of Zumiez stock, the Individual Defendants had the power and authority to cause Zumiez to engage in the wrongful conduct complained of herein. By reason of such conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act.

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

A. Determining that this action is a proper class action, designating Plaintiff as Lead Plaintiff and certifying Plaintiff as a Class representative under Rule 23 of the Federal Rules of Civil Procedure and Plaintiff's counsel as Lead Counsel;

B. Awarding compensatory damages in favor of Plaintiff and the other Class members against all Defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

1 C. Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this
2 action, including counsel fees and expert fees; and

3 D. Such other and further relief as the Court may deem just and proper.

4 **JURY TRIAL DEMANDED**

5 Plaintiff hereby demands a trial by jury.

6 DATED: December 10, 2007

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7
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